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**新琪安集團股份有限公司**  
**(Newtrend Group Holding Co., Ltd.)**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2573)**

## **REALLOCATION AND CHANGE IN USE OF PROCEEDS**

Reference is made to the prospectus of Newtrend Group Holding Co., Ltd (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 30 May 2025 (the “**Prospectus**”), which sets out the intended use of the net proceeds from the issue of new shares of the Company (the “**Net Proceeds**”) at the time of preparing the Prospectus. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus.

The Board hereby announces that it has resolved to change the use of the unutilised Net Proceeds in the manner as set out in this announcement.

## **REALLOCATION AND CHANGE IN USE OF PROCEEDS**

The total number of shares issued by the Company under the Global Offering (including the shares issued pursuant to the exercise of the Over-allotment Option) was 10,585,400, at an offer price of HK\$18.9 per share. The Net Proceeds received by the Company from the Global Offering, after deduction of the underwriting fees, commissions and other expenses, amounted to approximately HK\$164.15 million.

On 14 May 2026, the Board has resolved to reallocate the use of the unutilised Net Proceeds by reallocating the amounts for “the production of seaweed dietary fibre and serine” to “the construction of the Glycine Jingzhou production base” for the Group’s operations and “the sucralose technology transformation project”; and reallocating a portion of the amounts for the “enhancement of our R&D capabilities” to the expansion of our R&D centre under this item. The amount of utilised Net Proceeds, the amount of unutilised Net Proceeds, the reallocated amount of unutilised Net Proceeds and the expected timetable for utilisation of the unutilised Net Proceeds as of the date of this announcement are set out below:

| Item  | Original allocation percentage of the use of Net Proceeds as disclosed in the Prospectus | Originally allocated Net Proceeds<br>(HK\$'0000) | Utilised Net Proceeds as of the date of this announcement<br>(HK\$'0000) | Unutilised Net Proceeds as of the date of this announcement<br>(HK\$'0000) | Unutilised Net Proceeds after reallocation<br>(HK\$'0000) | Expected timetable for utilisation of the unutilised Net Proceeds <sup>(Note 1)</sup> |
|---|--|--|--|--|---|---|
|   |  |  |  |  |   |   |
| <b>1. Production of isomalt in our Thailand Plant</b>                                 | 21.3%  | 3,496.4  | 1,467.7  | 2,028.7  | 2,028.7   | End of 2026   |
| <b>2. Production of seaweed dietary fibre and serine</b>                              | 55.3%  | 9,077.5  | 556.1  | 8,521.4  | –   | Not applicable  |
| – Construction works for a new production plant                                       | 31.98%   | 5,249.0  | –  | 5,249.0  | –   | Not applicable  |
| – Construction works for the new production line of seaweed dietary fibre             | 14.04%   | 2,304.7  | 556.1  | 1,748.6  | –   | Not applicable  |
| – Construction works for the new production line of serine                            | 8.02%  | 1,316.9  | –  | 1,316.9  | –   | Not applicable  |
| – Production costs and operating expenses for the production of seaweed dietary fibre | 1.26%  | 206.9  | –  | 206.9  | –   | Not applicable  |
| <b>3. Enhancement of our R&amp;D capabilities</b>                                     | 13.4%  | 2,199.6  | 151.8  | 2,047.8  | 2,047.8   | End of 2027   |
| – Expansion of our R&D team   | 7.5%   | 1,231.4  | 140.2  | 1,091.2  | 242.3   | End of 2027   |
| – Expansion of our R&D centre   | 5.33%  | 874.2  | 11.6   | 862.6  | 1,805.5   | End of 2027   |
| – Intended cooperation with renowned third-party institutions                         | 0.57%  | 94.0   | –  | 94.0   | –   | End of 2027   |
| <b>4. Working capital</b>   | 10%  | 1,641.5  | 1,641.5  | –  | –   | End of 2026   |
| <b>5. Construction of the Glycine Jingzhou production base</b>                        | –  | –  | –  | –  | 6,898.4   | End of 2027   |
| – Land and taxes  | –  | –  | –  | –  | 2,508.6   | End of 2027   |
| – Construction works  | –  | –  | –  | –  | 2,060.5   | End of 2027   |
| – Equipment procurement   | –  | –  | –  | –  | 2,329.3   | End of 2027   |

| Item   | Original allocation percentage of the use of Net Proceeds as disclosed in the Prospectus | Originally allocated Net Proceeds<br>(HK\$'0000) | Utilised Net Proceeds as of the date of this announcement<br>(HK\$'0000) | Unutilised Net Proceeds as of the date of this announcement<br>(HK\$'0000) | Unutilised Net Proceeds after reallocation<br>(HK\$'0000) | Expected timetable for utilisation of the unutilised Net Proceeds <sup>(Note 1)</sup> |
|--|--|--|--|--|---|---|
|  |  |  |  |  |   |   |
| 6. Sucralose technology transformation project | -  | -  | -  | -  | 1,623.0   | End of 2027   |
| - Engineering and equipment procurement        | -  | -  | -  | -  | 1,623.0   | End of 2027   |
|  |  |  |  |  |   |   |
|  | 100%   | 16,415.0   | 3,817.1  | 12,597.9   | 12,597.9  |   |

Note:

1. The expected timetable for using the unutilised Net Proceeds is based on the estimation of the Board, which may be subject to changes in accordance with the business needs of the Group and changes in market conditions from time to time.
2. The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

## REASONS FOR THE REALLOCATION AND CHANGE IN USE OF PROCEEDS

This reallocation in the use of the proceeds is mainly based on a comprehensive consideration of the Company's current business development strategy, changes in the industry environment and future production capacity layout planning. This move will help further improve the efficiency of the use of the proceeds, and enhance the Company's core competitiveness and long-term profitability.

The Company intends to reallocate the entire unutilised proceeds of approximately HK\$85.21 million originally allocated for the "production of seaweed dietary fibre and serine" to the "construction of the Glycine Jingzhou production base" and the "sucralose technology transformation project".

As disclosed in the Prospectus, the market for seaweed dietary fibre and serine is still in the early stage of development and boasts substantial growth potential. The Group originally planned to seize the initiative and capture market share by developing relevant new food ingredient projects. However, in the actual implementation process, prior to the official market launch of the relevant products, a series of works are required to be completed, including application testing, stability verification, safety and toxicological tests, as well as market validation work. The pilot production line currently in place is sufficient to support the R&D and validation work of the project, and there is no immediate need for further large-scale construction investment.

In addition, given that the concept of “clean label” is still in its infancy in the Chinese market, the Company anticipates that the full commercialisation of natural products such as seaweed dietary fibre and serine will take approximately 2 to 3 years, which may be longer than originally planned. Accordingly, after prudent assessment, the Board is of the view that, in light of the overall progress of earlier market and product development, the Group has also temporarily slow down the subsequent development of serine products.

Based on the aforesaid considerations, the Board believes that reallocating the proceeds originally allocated for the “production of seaweed dietary fibre and serine” to the “construction of the Glycine Jingzhou production base” and the “sucralose technology transformation project” will better align with the Company’s business development priorities, which will help to improve the efficiency of use of the proceeds, accelerate the capacity layout and process upgrading of key products, and thereby create greater value for the Company and the Shareholders.

Among these, the Glycine Jingzhou Production Base benefits from well-established upstream industrial supporting facilities, superior raw material supply and convenient logistics and transportation advantages. Accelerating the construction of the Jingzhou production base will further improve the Group’s industrial chain layout for amino acid products, enhance the large-scale production capacity and market competitiveness of glycine products, and align with the Company’s future strategic development direction.

Meanwhile in line with the Group’s strategy of using sucralose cross-selling as one of the approaches to expand into new markets, the reallocation of part of the proceeds to the “sucralose technology transformation project” will help accelerate the upgrading of the Group’s existing production processes and equipment for sucralose, which will further improve product yield, reduce costs and energy consumption, enhance the profitability and industrial competitive edge of sucralose products, so as to better align with the overall strategic layout of the Group.

In addition, approximately HK\$20.48 million of the proceeds allocated to the “enhancement of our R&D capabilities” remains unutilised. The Company proposes to appropriately adjust the intended use of such proceeds by reallocating part of the proceeds originally allocated for expanding the R&D team’s human resources to the construction of the R&D centre and the procurement of R&D equipment, which will further improve the Group’s R&D infrastructure, enhance its R&D synergy efficiency and innovation capability, and provide long-term support for future product upgrading, process optimisation and new product development.

In summary, the Company believes that this change in the use of the proceeds is in line with the Company’s overall development strategy and actual operation needs. It will effectively improve the efficiency of the use of the proceeds, optimize resource allocation, and further enhance the Company’s comprehensive competitive advantages in the fields of functional food additives and amino acids, thereby serving the long-term interests of the Company and all Shareholders.

The Board is of the view that the change in use of proceeds will enable the Company to redeploy its financial resources more effectively; it is also in the interests of the Company and its Shareholders as a whole and will not have any material adverse impact on the current business and operations of the Group.

The Board confirmed that, save as disclosed, there are no other changes to the use of the proceeds from the Global Offering, and the proceeds from the Global Offering are proposed to be used according to the aforementioned reallocated amounts. The Board will continuously assess the plans for the use of the unutilised Net Proceeds, and may amend the use of the unutilised Net Proceeds or revise the relevant plans as and when necessary.

Pursuant to the Articles of Association, any change in the use of the proceeds shall be subject to approval by Shareholders by way of an ordinary resolution at a general meeting of the Company. A notice of general meeting and a circular containing, among others, the details of the aforesaid proposal will be sent to Shareholders as soon as practicable.

**Investors and Shareholders are advised by the Board of the Company to exercise caution when dealing in the securities of the Company.**

By Order of the Board  
**Newtrend Group Holding Co., Ltd.**  
**Mr. Wang Xiaoqiang**  
*Chairman of the Board and Executive Director*

Ji'an, PRC  
14 May 2026

*As at the date of this announcement, the Board of the Company comprises Mr. Wang Xiaoqiang, Mr. Wang Hao, Ms. Chen Lijun, Mr. Wu Dingfeng and Ms. Zuo Yue as executive directors; Mr. Xiao Fan as non-executive director; and Dr. Song Jingjin, Dr. Zhang Xi and Mr. Lo Kwing Yu as independent non-executive directors.*